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FM AMEMBASSY MOSCOW
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RUEHLB/AMEMBASSY BEIRUT 0144
RUEHDM/AMEMBASSY DAMASCUS 1010
RUEHBUL/AMEMBASSY KABUL 0525
RUEHRA/AMEMBASSY RIGA 5399
RUEHTV/AMEMBASSY TEL AVIV 2197
RUEKJCS/SECDEF WASHDC
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SUBJECT: INSIDE THE FEDERAL SERVICE FOR MILITARY-TECHNICAL COOPERATION

REF: A. MOSCOW 396 B. 06 MOSCOW 11833 C. 07 RIGA 636

Classified By: Political Minister-Counselor Alice G. Wells For Reasons 1.4 (b) and (d).

¶1. (C) Summary: On May 22, officials from the Federal Service For Military-Technical Cooperation (FSVTS) explained how their organization coordinates Russian military-technical cooperation with over 20 GOR entities and works with 84 countries. The FSVTS manages RosOboronExport (ROE), issues export licenses to Russian arms companies, and is the first entity customers for Russian weapons approach before they make a purchase. The FSVTS manages the lists of products Russian arms companies can sell and to whom. It also conducts end-user inspections after sales are completed. As an example of the GOR's "stringent" export controls, FSVTS cited end-user checks of deliveries to Syria. End Summary.

FSVTS At A Glance

¶2. (C) On May 22 FSVTS Chief of the Second Department on Military-Technical Cooperation with Foreign States Aleksandr Skobeltsin, Advisor to the FSVTS Director Gennady Buchukuri, and FSVTS Protocol Official Yelena Kavtyreva told us the FSVTS is responsible for coordinating Russia's military-technical cooperation with 84 countries. Established by Presidential Decree 1083, dated August 16, 2004, FSVTS has over 300 employees. Its Director, Mikhail Dmitriev, has minister-equivalent rank, despite the fact that the FSVTS is technically under the jurisdiction of the MOD. FSVTS duties also include, but are not limited to, organizing trade shows and managing ROE (ref A). According to Skobeltsin, the FSVTS will "most likely" manage RosTechnologiya, although this is not yet certain.

¶3. (C) According to Skobeltsin, the FSVTS coordinates Russian military-technical cooperation with the MOD, MFA, Ministry of Industry, ROE, and approximately 20 other GOR entities. When disputes arise, the Presidential Committee for Military-Technical Cooperation (PCMTC) decides the issue. The president of Russia directs the activities of the FSVTS.

Managing The Export Lists

¶4. (C) Skobeltsin told us the FSVTS is the only GOR entity that issues export licenses for Russian arms dealers. The FSVTS also manages the lists of which products Russian arms

manufacturers can export and to whom, and takes part in negotiations with foreign entities that wish to purchase Russian weapons. The list of products Russian arms dealers can export is initially drawn up by the MOD, while the MFA draws up the list of possible customers. For each country to which Russia exports arms, there is a list of acceptable customers. The Ministry of Industry and about 20 other GOR bodies weigh in as well. Before an arms sale takes place, it must be verified that the product and the customer are both on the respective lists. These lists were last updated in 2007. Skobeltsin argued that Russian arms companies do not sell to customers that are sanctioned by the United Nations.

15. (C) According to Skobeltsin, customers must first approach the FSVTS to purchase weapons from Russian arms dealers. If the customer is already approved to purchase the requested weapons system, then the FSVTS simply refers the customer to ROE to conduct the transaction. If not, then the aforementioned interagency process must approve the sale.

16. (C) Product upgrades requested by customers are considered on a case-by-case basis. The FSVTS readily refers requests for minor upgrades and new purchases of slightly upgraded equipment to ROE. Purchases of highly upgraded equipment, such as India's recent purchase of Su-30MKI multi-role fighters, must be reviewed by the PCMTC. In the case of the Su-30MKI, Skobeltsin said, major upgrades of the engine, navigation, and avionics were requested, which triggered the PCMTC review.

End-User Verification

17. (C) The FSVTS is in charge of export control and end-user verification. According to Skobeltsin, all Russian arms contracts include clauses that the buyer will not re-export the product without GOR approval and will accept GOR inspections to ensure end-user compliance. Skobeltsin also said the FSVTS verifies the end-user before the contract is signed. If violations occur, then the GOR can sanction the customer. Buchukuri said, however, that the GOR will not issue sanctions that could ruin relations with a country. Skobeltsin added that he has never seen a confirmed instance of export control violations involving Russian arms.

18. (S) To illustrate the inspections process, Skobeltsin and Buchukuri said that, when concerns were raised that Hezbollah had used Russian anti-tank missiles acquired from Syria against the Israeli army in the 2006 Lebanon war, the GOR sent 12 inspectors from the FSVTS, MOD, MFA, Ministry of Industry, "and other organizations" to Damascus. He said the inspectors had seen the weapons Russia sold to Syria still in their boxes in a warehouse and concluded they had never been used. (Note: This directly contradicts MFA DVBR statements to us in October 2006 (ref B) that corrupt Syrian military officers had indeed transferred anti-tank missiles to Hezbollah. Our working-level DVBR contacts have also recently made statements similar to those of our FSVTS interlocutors.) Skobeltsin argued that many countries copy Russian weapons and could have sold anti-tank weapons to Hezbollah.

19. (C) Skobeltsin told us that Russia has "stringent" export controls that make it "impossible" for Russian arms to end up in the wrong hands because the GOR wants to prevent the proliferation of certain weapons, such as anti-tank missiles. When asked about Latvia's request to transfer approximately 6,000 7.62mm rifles to the Afghan national army (ref C), Skobeltsin admitted there were delays but said this was an example that proved Russian export controls work. (Note: Skobeltsin said the request was still under consideration.)

Comment

¶10. (S) While we doubt the veracity of Skobeltsin's claims about the GOR's export controls, he and Buchukuri were jovial, polished professionals at the meeting. We plan to accept Skobeltsin's invitation to meet with him on a regular basis to learn more about the role FSVTS plays in Russia's military-technical cooperation with other countries.

RUSSELL